

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re:	:	Chapter 13
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STELLA LEE TERRANOVA and	:	Case No: 18-70004-ast
ROBERT A. TERRANOVA,	:	
	:	
Debtors.	X	
-----	:	Adversary Proceeding
GUSTAVIA HOME, LLC,	:	
	:	Case No: 18-08054-ast
Plaintiff,	:	
	:	
-against-	:	
	:	
FEDERAL NATIONAL MORTGAGE	:	
ASSOCIATION (“Fannie Mae”) and SETERUS,	:	
INC.,	:	
	:	
Defendants.	:	
	:	
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**SETERUS, INC. AND FANNIE MAE’S STATEMENT OF MATERIAL  
FACTS PURSUANT TO LOCAL BANKRUPTCY RULE 7056**

Defendants Seterus, Inc. (“Seterus”) and Federal National Mortgage Association (“Fannie Mae”) (together, “Defendants”) by their undersigned counsel, submit the following statement of undisputed facts pursuant to Rule 7056 of the Local Bankruptcy Rules of this Court.

1. Seterus services the Loan on behalf of Fannie Mae.<sup>1</sup> (McNeal Decl. ¶¶ 2, 4.)
2. The Terranovas defaulted on their Loan by failing to make the payment due on September 1, 2014 (the “Default”). (McNeal Decl. ¶ 5.)
3. At the time of the default, the Terranovas’ monthly Loan payment was \$2,344.88; comprised of principal, interest, taxes and insurance (“PITI”). (McNeal Decl. ¶ 5.) The PITI is

<sup>1</sup> “McNeal Decl.” refers to the Declaration of Michael McNeal, sworn to January 29, 2019. Defined terms have the same meaning as set forth in the Joint Statement of Material Facts Pursuant to Local Bankruptcy Rule 7056-1 (the “Joint Statement”) filed on January 4, 2019 at ECF Doc. 18. The Joint Statement provides further background that is not included here for brevity. The Joint Statement is expressly incorporated herein.

broken down as follows: \$1,322.45 is principal and interest and \$1,022.43 for escrow (taxes and insurance). (*Id.*)

4. As a result of the Default, the Fannie Mae Foreclosure Action was commenced on March 3, 2015. (McNeal Decl. ¶ 6.)

5. The Fannie Mae Foreclosure Action was discontinued after the Terranovas executed the Loan Modification on July 21, 2016. (McNeal Decl. ¶ 6, Ex. A.)

6. The Loan Modification modified the Note and Mortgage effective September 1, 2016. (McNeal Decl. ¶ 8, Ex. A.) As part of the Loan Modification, the interest rate was changed to 3.75% and the maturity date was extended. (*Id.*) A total of \$39,255.37 was capitalized into the existing loan balance of \$386,167.24 (the “Capitalized Amount”), creating a new unpaid principal balance of \$425,182.64 (“New Principal Balance”).<sup>2</sup> (*Id.*) Additionally, \$92,100.00 of the New Principal Balance was deferred (the “Deferred Amount”), resulting in an interest bearing principal balance of \$333,082.64 (the “Interest Bearing Principal Balance”). (*Id.*)

7. The Capitalized Amount is comprised entirely of payments the Terranovas already owed under the Loan and recoverable fees. (McNeal Decl. ¶ 9, Ex. B.) Specifically, the Capitalized Amount is comprised of the following amounts:

Past Due Interest Accrued from September 1, 2014 through July 1, 2016	\$13,897.24 (“Past Due Interest”)
Escrow Advances Made by Seterus on the Terranovas’ behalf from September 1, 2014 through July 1, 2016	\$20,493.13 (“Escrow Advances”)
Fees	\$3,360.00 (“Legal/Attorney Charges”)
Corporate Advances	\$1,505.00 (“Corporate Advances”)

*Id.*

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<sup>2</sup> At the time of capitalization, a total of \$239.97 remained in the Terranovas’ suspense account, which was applied to offset the capitalized amount.

8. The Escrow Advances are comprised of tax and insurance payments made on the Terranovas' behalf pursuant to the original Loan terms. (McNeal Decl. ¶ 10.) At the time the Terranovas defaulted in September, 2014, there was \$25.37 in their escrow account and the following transactions occurred:

Date	Amount	Escrow Account Balance	Description
11/28/14	\$1,022.43	\$1,047.80	Payment to Escrow Account from Borrower Payment
12/1/14	\$0.21	\$1,048.01	Interest Accrual
12/19/14	-\$5,629.60	-\$4,581.59	Tax Payment made to Town of Brookhaven Receiver of Taxes for Second Half of 2014 Taxes
1/1/15	\$1.03	-\$4,580.56	Interest Accrual
1/23/15	-\$1,172.00	-\$5,752.56	Insurance Payment made to State Farm for hazard insurance
5/18/15	-\$5,629.60	-\$11,382.16	Tax Payment made to Town of Brookhaven Receiver of Taxes for First Half of 2015 Taxes
7/16/15	\$0.01	-\$11,382.15	Tax Refund
12/22/15	-\$5,554.64	-\$16,936.79	Tax Payment made to Town of Brookhaven Receiver of Taxes for Second Half of 2015 Taxes
1/28/16	-\$1,069.00	-\$18,005.79	Insurance Payment made to State Farm for hazard insurance
5/10/16	-\$5,554.63	-\$23,560.42	Tax Payment made to Town of Brookhaven Receiver of Taxes for First Half of 2016 Taxes :
5/13/16	\$1,022.43	-\$22,537.99	Payment to Escrow Account from Borrower Payment
6/30/16	\$1,022.43	-\$21,515.56	Payment to Escrow Account from Borrower Payment
7/18/16	\$1,022.43	-\$20,493.13	Payment to Escrow Account from Borrower Payment

*Id.*

9. The Legal/Attorney Charges totaling \$3,360.00 represent legal and attorney fees incurred in connection with the Fannie Mae Foreclosure Action. (McNeal Decl. ¶ 11.) As per Paragraph 22 of the Mortgage, these fees are recoverable from the Debtors. (*Id.*)

10. The Corporate Advances totaling \$1,505.00 are comprised of costs incurred in connection with the Fannie Mae Foreclosure Action including title service costs and property inspections. (McNeal Decl. ¶ 12.) As per Paragraph 22 of the Mortgage, these fees are recoverable from the Debtors. (*Id.*)

New York, New York  
February 4, 2019

Respectfully submitted,

HOGAN LOVELLS US LLP

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